

2011/12

KAMIESBERG MUNICIPALITY

# ANNUAL REPORT

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# Preface

## PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

# Preface

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

##### Vision and Mission of the Kamiesberg IDP

The Kamiesberg IDP (IDP: 2010-2011) identified certain areas of concern. To address this, strategies had to be developed. These strategies incorporated the vision of the Municipality, the mission, values and the strategic objectives, in order to attend to the challenges.

The IDP has as its **VISION** for the Kamiesberg Municipality, *“To better the guiding of life for all its inhabitants.”*

The **MISSION** of the Municipality is:

- Enforcing the code of conduct for councillors and officials
- Revitalizing the Batho Pele campaign
- Socio-economic development
- Provisions and maintenance of affordable services
- Effective public participation
- Accountable government
- Sustainable management and use of operational and natural resources

The Kamiesberg Municipality adopted **VALUES** that should be reflected in the daily behaviour of all its employees. The following values were identified as important for the functionality of the Municipality:

- Honesty
- Teamwork
- Loyalty
- Commitment
- Trustworthiness

##### a. Key Service Delivery Improvements

- Construction of Kharkams Sportsgrounds
- Construction of Garies Reservoir
- Construction of 60 RDP Houses in Lepelsfontein
- Construction of 30 RDP Houses in Klipfontein
- Commence with the upgrading of Hondeklipbaai harbour
- Paving of internal streets of Klipfontein and Kharkams
- Bulk water supply Lepelfontein

# Chapter 1

## **b. Conclusion**

Final thoughts on the year.

(Signed by :) \_\_\_\_\_

Mayor

## **COMPONENT B: EXECUTIVE SUMMARY**

### **1.1. MUNICIPAL MANAGER'S OVERVIEW**

#### **MUNICIPAL MANAGER'S OVERVIEW**

For most of the duration of the year under review 2011/2012 the Kamiesberg Municipality battle to appoint and to attract suitable candidates for senior management positions. The following key senior positions were vacant for a very long time, Municipal Manager, Chief Financial Officer and in the Technical department the post of Electrician. The Chief Financial Officer and the Electrician was only appointed in March 2012. The position for Municipal Manager was still vacant for the year under review.

# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

- The Kamiesberg municipality consists of 16 small towns spread across more than 11,000 square kilometres of the Namaqualand in the Northern Cape.
  - The surface of Kamiesberg is 1.3% of Northern Cape, making it suitable for farming with livestock on huge areas.
  - Situated along the western part of Atlantic Ocean. The nutrient rich Benguela current that runs along the coast sustains an abundance of marine life that give rise to enormous potential for the development of fishing and mariculture industries. We have the most potential out of any area along the South Africa coast and indicators show that mariculture offers sufficient growth potential to replace diamond mining. Hence we engaged with the Provincial Government to develop new mariculture ventures in area.
  - Kamiesberg is hot to many different deposits of minerals and mining will play an important part in our economy whilst minerals are depleted in our neighbouring municipalities and elsewhere in the Province.
  - Kamiesberg Municipality is situated in the Succulent Karoo, one of South Africa's three biodiversity hotspots and the only arid hotspot in the world. Two of the priority areas in the South African National Biodiversity Institute Plan are located in Kamiesberg Municipality. Conservation International and other conservation donor groups are willing to conserve the areas and contribute to tourism development in our area. That opens the door for a conservation based economy.
  - The Namaqua National Park lies within the Kamiesberg Municipality and is expanding to the Atlantic Ocean till the Groenriver Mouth. It is a national tourism asset and attraction which boosts tourism and the creation of jobs.
  - Kamiesberg has an abundance of consistent strong wind especially along the coast, which makes wind energy a possibility. We have already engaged with an American entrepreneur and he put up test masks along the coast to research the viability of wind energy.
  - As well as an abundance of sunshine and hot temperatures which can also open up a new industry namely solar heating. Kamiesberg is the place for alternative energy.
- Opportunities for investors lie in mariculture, alternative energy as an industry, tourism, mining, livestock and conservation based economy.



# Chapter 1

The sectors identified by the IDP as having economic growth and investment potential are:

- Livestock grazing,
- Mining and
- Tourism

Additionally, two emerging sectors are developing, namely:

- Aquaculture and
- Conservation and Ecological Restoration

These sectors can, however, not provide enough employment to address the level of unemployment in the area. The Municipality also does not have the necessary components or characteristics to be developed into an economic powerhouse. This is due to the many challenges that face the Kamiesberg Municipality, of which includes the following:

- The scarcity of water in the area is one of the biggest concerns.
- Roads are a major concern; all roads in the area are gravel, except for the N7 from Cape Town to Namibia.
- There are no railways, harbours and airports.
- Low education levels resulting in the lack of skills and qualifications.
- Majority of the population live in dispersed settlements, approximately 80 km from each other and connected with gravel roads.
- Downscaling of the mining industry of which this is the core employment source in the area.

Population Details									
Age	Year -1996			Year - 2001			Population '11		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	597	498	1095	478	491	970	458	407	865
Age: 5 - 9	649	568	1215	612	498	1110	455	398	853
Age: 10 - 19	1193	996	2189	1091	948	2039	1030	886	1916
Age: 20 - 29	841	760	1601	729	700	1429	654	659	1313
Age: 30 - 39	750	744	1494	795	781	1576	601	614	1215
Age: 40 - 49	546	599	1145	653	666	1319	699	703	1402
Age: 50 - 59	429	480	909	506	525	1031	552	570	1122
Age: 60 - 69	320	351	671	313	344	657	398	453	851
Age: 70+	304	290	594	278	345	623	288	361	649
Source: Statistics SA									

# Chapter 1

Overview of Neighbourhoods within 'Name of Municipality'		
Settlement Type	Households	Population
Towns		
Garies		
Kamieskroon		
Sub-Total		
Rural settlements		
Lepelfontein		
Kharkams		
Hondeklipbaai		
Kheis		
Klipfontein		
Tweerivier		
Spoegrivier		
Soebatsfontein		
Paulshoek		
Leliefontein		
Nourivier		
Rooifontein		
Kamasies		
Sub-Total		
Total		

Natural Resources	
Major Natural Resource	Relevance to Community
Sea	Fishing/Mari culture development and Diamond Mining
Land	Agriculture, mining and farming
Wind	Wind energy
Granite	Granite mining

# Chapter 1

## COMMENT ON BACKGROUND DATA:

- Kamiesberg Municipality is a category B Municipality (NC064), established in 2001 in accordance with the demarcation process.
- The Municipality is located within the extreme western parts of the Northern Cape Province, and falls within the boundaries of the Namakwa District. The Municipality provides services to the towns and settlements of Garies, Hondeklipbaai, Kamassies, Kamieskroon, Kharkams, Kheis, Klipfontein, Leliefontein, Lepelsfontein, Nourivier, Paulshoek, Rooifontein, Soebatsfontein, Spoegrivier, and Tweerivier. The nearest business centre is Springbok, which is about 150km away.
- The Kamiesberg Municipality serves a geographical area of 11,742km<sup>2</sup> and is divided into four municipal wards.
- The Municipality provides services to the towns and settlements mentioned above, and although there are in excess of 150 farms within the area, the Municipality does not provide any services to farms
- Our Municipality focus on its strengths, that being, the ability to ***improve the quality of life of its residents by providing the necessary basic services and infrastructure***. The spatial consideration necessary to improve the basic essential services and infrastructure delivery are:
  - To identify the areas in greatest need of basic essential services.
  - To ensure equitable distribution of infrastructure and services.
  - For scarce higher order resources such as hospitals, it is important that these resources are situated where there will be optimum usage and accessibility.
  - To provide affordable and sustainable level of housing, services and infrastructure.
  - To ensure that environmental factors and constraints are taken into account in the delivery of services.
  - To establish and maintain clear communication channels and the involvement of all relevant stakeholders and organizations.

# Chapter 1

## 1.3. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	January - February
12	Municipalities receive and start to address the Auditor General's comments	March
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	April
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	April
		T1.7.1

# Chapter 1

## COMMENT ON THE ANNUAL REPORT PROCESS:

The annual report process goes hand in hand with the budget and IDP process but seeing that we have only issued the Annual Financial Statements at the end of January the process is a bit behind schedule.

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

POLITICAL STRUCTURE		
Photos		Function
	<b>MAYOR/SPEAKER</b> The Hon. Cllr Mervyn Cloete	
	<b>CHIEF WHIP</b> Cllr. MS Cardinal	

# Chapter 2

## COUNCILLORS

The legislative and executive authority of the municipality resides in council which was headed by the Mayor and 6 Councilors. The Council consists of the following members:

Mayor:	Cllr. MJ Cloete
Councillor	Cllr. E Stevens
Councillor	Cllr. S Nero
Councillor	Cllr. M Cardinal
Councillor	Cllr. P Willems
Councillor	Cllr. M Klaase
Councillor	Cllr. H Links

The council consists out of the following political parties.

African National Congress:	4 Councillors
Democratic Alliance	2 Councillors
Congress of the People	1 Councillor

There are three female and four male Councillors.

## POLITICAL DECISION-TAKING

Political decisions and council resolutions are based on advice with the Administration.

# Chapter 2

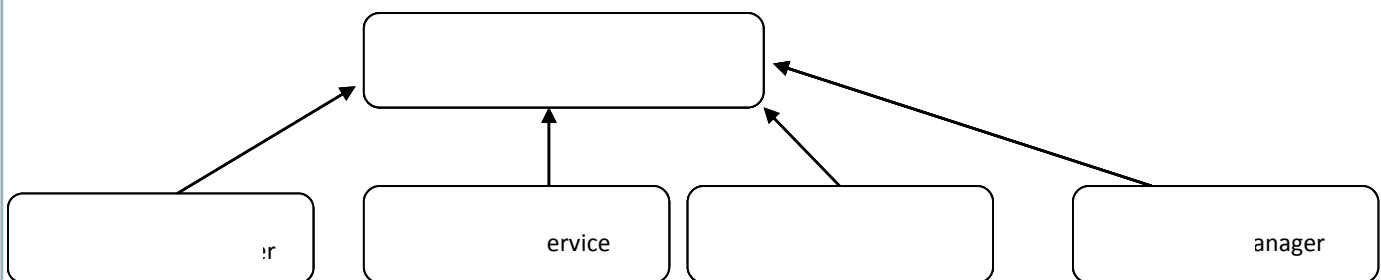
## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Kamiesberg Municipality is structured in 4 departments namely:

- Finance
- Infrastructure
- LED
- Corporate

Each department has a Head of the Department and they report directly to the Municipal Manager.





# Chapter 2

TOP ADMINISTRATIVE STRUCTURE		
Photo		Function
	<b>TIER 1</b>	
	<b>MUNICIPAL MANAGER</b>	
	Joseph Gerhardus Cloete	
<i>Photo</i>	<i>Executive</i>	
<i>Directors</i>		
<i>Directors</i>	<b>MANAGER: Title Head of Cooperative Services</b>	
<i>Optional</i>	Daphne Beukes	
	<b>MANAGER: title Chief Financial Officer</b>	
	Rufus Beukes	
	<b>MANAGER: title Head of Technical Services</b>	
	Ferdi Links	
	<b>MANAGER: title Manager Local Economic Development</b>	
	Isak Jenner	
Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.		T2.2.2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATION

The Council does not function in a vacuum and strives to maintain good intergovernmental relations with its neighbouring municipalities, the Namakwa District Municipality, Regional IGR, Provincial IGR the Provincial Government, National Government and other agencies and intergovernmental bodies, such as SALGA, the Premier's Coordinating forum PIGR, MUNMEC

# Chapter 2

## 2.3 INTERGOVERNMENTAL RELATIONS

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

- Provincial CFO Forum
- Provincial IDP Engagement
- RBPAC Forum
- MIG Engagement
- Blue and Green Drop Sessions
- LGTAs
- HR.SDF Forum
- Internship Assessment

### DISTRICT INTERGOVERNMENTAL STRUCTURES

- District Technical IGR
- District Political IGR
- District Area Finance Forum
- District PMU
- District Health Forum
- District EPWP Forum
- District Audit Committee Meetings Shared Services

# Chapter 2

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

Municipal Website was under construction during this financial year.

- All documents to be made public.
- All public meeting are also advertised on notice boards at all satellite offices.
- This includes Council meetings, Ward Committee Meetings, Budget and IDP meetings
- The Council interacts with its stakeholders at Ward Committee, Budget and IDP meetings, council meets the people and many other meetings and gatherings. These engagements are ongoing throughout the year. Most meetings are well attended, resulting in meaningful engagement.

# Chapter 2

## WARD COMMITTEES

Ward Committees have been established in all four wards but the ward committees are not fully functional and meetings are not according to the year planner

T2.4.2

## Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
IDP and Budget Consultation	6-Mar-12	3	4	42	
	7-Mar-12	1	2	38	
	8-Mar-12	1	3	45	
	13-Mar-12	2	4	52	

# Chapter 3

## COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Meetings were held according to the year planner and most were well attended resulting in greater impact and effectiveness. Issues were listed and feedback was communicated to the community

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	N
Does the IDP have priorities, objectives, KPIs, development strategies?	N
Does the IDP have multi-year targets?	Y
Are the above aligned and can they calculate into a score?	N
Does the budget align directly to the KPIs in the strategic plan?	N
Do the IDP KPIs align to the Section 57 Managers	Y
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Y
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	N
Were the indicators communicated to the public?	Y
Were the four quarter aligned reports submitted within stipulated time frames?	N
* Section 26 Municipal Systems Act 2000	T2.5.1

# Chapter 3

## COMPONENT D: CORPORATE GOVERNANCE

### 2.6 RISK MANAGEMENT

#### RISK MANAGEMENT

Note: MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

**The top strategic identified risks are:**

1. Proper management of distribution losses;
2. Sustainable community development focused on the less privileged;
3. Legal compliance;
4. Proper management and maintenance of assets.

### 2.7 ANTI-CORRUPTION AND FRAUD

#### FRAUD AND ANTI-CORRUPTION STRATEGY

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

# Chapter 3

Council adopted a zero tolerance attitude towards fraud, theft and corruption, as contained in the

Fraud Awareness & Prevention Policy approved per item .....

The signing of a commitment by all municipal employees formed part of the implementation of the policy, and management accepted the responsibility to ensure that all employees are made aware of the policy and receive appropriate training and education on a regular basis. All newly appointed employees undergo induction, which includes the acceptance of the zero tolerance attitudes towards fraud, theft and corruption. Council has a very strong attitude towards legislative compliance, specifically supply chain management principles, without councillor and/or political interference. These measures have surely dissuaded acts of fraud, theft and corruption.

T2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW

#### SUPPLY CHAIN MANAGEMENT

Kamiesberg Municipality has amended its SCM policy to provide for the new legislation and internal processes to ensure

MFMA and SCM Regulations compliancy. All Bid Committees are in place namely the Bid Specification, Evaluation and Adjudication Committee's.

# Chapter 3

No councillors are part of any SCM committees. These committee members are appointed by the Accounting Officer prior to the specifications meeting when a bid is requested.

Kamiesberg Municipality SCM Unit has 4 officials that are in the process of completing the prescribed levels required for

their positions as per the Competency Regulation Guidelines. All should be compliant by 2013.

Deviations from policy must comply with the requirements and be reported to Council. In the limited number of cases that this occurred, it was for justifiable reason and all such cases should be reported to Council.

T2.8.1

## 2.10 WEBSITES

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Kamiesberg Municipality website complies with most of the requirements of Section 75 of the MFMA.

The Council website address is [www.kamiesbergmun.co.za](http://www.kamiesbergmun.co.za)

The website was constructed late 2012.

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)



# Chapter 3

## COMPONENT A: BASIC SERVICES

Services rendered by Kamiesberg Municipality includes water; waste water (sanitation); electricity; waste management;

### INTRODUCTION TO BASIC SERVICES

There are many challenges which face the Kamiesberg municipality and a few is worth mentioning. The scarcity of water in the area is one of the biggest concerns. Water in most households is too salty for human consumption and we are looking outside the municipal area for potable water. The high salty levels in water has led to the construction of desalination plants most villages. The proposal is to subsidize poor people to cover the cost of the water.

Roads are a major concern; all roads in the area are gravel. They are often in a bad condition due to lack of timeous maintenance. Kamiesberg municipality is the only municipality which has gravel on all of its roads.

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

All the towns within the Kamiesberg area have either a house of erf connection. Kharkams and Spoegrivier are provided with communal standpipes.

Status of Free Basic Water Services:

- Free basic services are delivered to indigents households with a monthly income of R2500 or less.
- 963 households are registered indigents of which all receive free basic water and free basic sanitation.
- Due to the scarcity of water only 2 kilolitres of water per month is free to all registered indigent households (national standard is 6kl). There are currently 963 registered indigent households (households earning less than R2500 per month).
- Kamiesberg municipality has 16 small villages all relying on groundwater. The challenges experienced are listed below:
- The Koinaas Mine supplies water to Hondeklipbaai which periodically experiences extreme water shortages. The bulk water storage should be upgraded.
- At Kharkams a borehole has been set up for artificial recharge by receiving run off water from a seasonal stream. This borehole should be equipped with electrical connections and a telemetric system. The old asbestos pipeline from the borehole to the town should be replaced. [28km]
- The scarcity of water has resulted in generally low water consumption and only the first 2 kl is free to all households.
- Water is generally hard and use is made of desalination processes to reduce the dissolved salts which are expensive.
- With the construction of the hospital in Garies, pressure has been placed on the water resources and storage. A new reservoir complex for the total Garies area are constructed to replace the current stagnated, limited system.
- Lepelsfontein provides drinking water twice a week only due to desalination plants capacity. The desalination plant should be upgraded.
- Spoegrivier, Klipfontein and Soebatsfontein – capacity problems with boreholes/desalination plant and storage, as well as a permanent water network distribution system for all these towns. The current plastic reservoirs should also be upgraded with permanent concrete reservoirs.
- Paulshoek need a water network with house connections and the upgrading of the reservoirs. The new production boreholes should also be equipped with an electricity line and pump equipment.
- The operations at all these bore holes, should be automated by means of a telemetric system as to allow optimal use and abstraction.
- All 16 towns should be equipped with automatic chlorination plants making use of liquid chlorine.
- Kheis needs a proper water storage reservoir and distribution network as well as the upgrading of the desalination plant.

The annual MIG allocation to fund and address all these challenges is too small.

# Chapter 3

Water Service Delivery Levels			
Description	Households		
	Year -1996	Year -2001	Year 2011
	Actual No.	Actual No.	Actual No.
<b><u>Water: (above min level)</u></b>			
Piped water inside dwelling	1323	1800	2975
Piped water inside yard (but not in dwelling)	458	641	37
Using public tap (within 200m from dwelling )			
Other water supply (within 200m)			
<i>Minimum Service Level and Above sub-total</i>	1781	2441	3012
<i>Minimum Service Level and Above Percentage</i>	68.87%	86.13%	95.83%
<b><u>Water: (below min level)</u></b>			
Using public tap (more than 200m from dwelling)			
Other water supply (more than 200m from dwelling)			
No water supply	805	393	131
<i>Below Minimum Service Level sub-total</i>	805	393	131
<i>Below Minimum Service Level Percentage</i>	31%	14%	4%
<b>Total number of households*</b>	<b>2586</b>	<b>2834</b>	<b>3143</b>
* - To include informal settlements			T3.1.3

# Chapter 3

## 3.2 WASTE WATER (SANITATION) PROVISION

*Households			
Description	Year -1996	Year -2001	Year - 2011
	Outcome	Outcome	Outcome
	No.	No.	No.
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>			
Flush toilet (connected to sewerage)	905	1244	1434
Flush toilet (with septic tank)			
Chemical toilet			
Pit toilet (ventilated)	220	688	1490
Other toilet provisions (above min.service level)			
<i>Minimum Service Level and Above sub-total</i>	1125	1932	2924
<i>Minimum Service Level and Above Percentage</i>	43.54%	68.15%	93.75%
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>			
Bucket toilet	1032	600	29
Other toilet provisions (below min.service level)			
No toilet provisions	427	303	166
<i>Below Minimum Service Level sub-total</i>	1459	903	195
<i>Below Minimum Service Level Percentage</i>	56.5%	31.9%	6.3%
<b>Total households</b>	<b>2584</b>	<b>2835</b>	<b>3119</b>

\*Total number of households including informal settlements T3.2.3

# Chapter 3

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

Electricity reticulation means bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity, and also the regulation, control and maintenance of the electricity reticulation network, tariff policies, monitoring of the operation of the facilities for adherence to standards and registration requirements, and any other matter pertaining to the provision of electricity in the municipal areas. The Kamiesberg Municipality adopted a free basic service policy by which 50 kilowatts of electricity is given free to all indigents.

Due to the declining mining industry, the mining operators (DBMC) have approached the Municipality to take over the infrastructure in such mining towns as Koinaas. These towns, without having an economic footing once the mining operations cease to exist, will not be able to afford pay for services and as such will place a higher burden on the municipality to supply adequate services under the indigent programme.

#### Existing Electricity Infrastructure

Kamiesberg Municipality, as the distributor, supplies consumers within the licensed area of supply. The distribution of electricity within the municipal area is governed further by distribution licences with NERSA, which regulate the areas to which the municipality may distribute electricity. According to the licence the distribution area includes: Diamantstreek, Garies, Hondeklipbaai, Kamieskroon, Leliefontein/Kamiesberg, Namakwa and Rietpoort<sup>1</sup>.

97.2 % of Kamiesberg Municipality has access to electricity and it was expected that the remaining 2.8% would have access by June 2013.

#### Alternative Fuel and Energy Sources

The Municipality has adopted a policy of a 10% saving on the use of electricity and has in terms of their IDP expressed their intent to explore alternative energy generation such as wind and solar power. The area is well suited for both of these alternative generation processes.

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<sup>1</sup> National Electricity Regulator Temporary Distribution License issued to Kamiesberg Municipality.  
NER/D/NC064

# GLOSSARY

## CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

The overall operating results for the year ended 30 June 2012 are as follows:

DETAILS	Actual 2011/12 R	Actual 2010/11 R	Percentage Variance %	Budgeted 2011/12 R	Variance actual/ Budgeted %
Income:					
Opening surplus/deficit	66 692 490	81 393 528	(18.06)	-	100
Operating income for the year	48 121 562	32 410 837	48.47	46 048 723	4.50
Appropriation for the year	-	-	-	-	-
Expenditure					
Operating expenditure for the year	50 282 930	47 188 003	6.56	37 143 866	35.37
Sundry transfers	(0)	(76 127)	(100)	-	100
Closing surplus/ (deficit)	64 531 122	66 692 490	(3.24)	8 904 857	624.67

## OPERATING EXPENDITURE

EXPENDITURE	2012 Actual	2012 Budget	2012 Variance	2012 Variance %
Employee related cost	11 587 182	13 181 503	(1 594 321)	86.31
Remuneration of councillors	1 650 756	1 730 635	(79 879)	97.47
Depreciation and Amortisation	7 306 440	2 729 340	4 577 100	267.70
Repairs and Maintenance	3 566 640	1 572 440	1 994 200	222.31
Finance Cost	502 540	-	502 540	0.00
Bulk Purchases	8 335 069	6 612 604	1 722 465	148.24
Contracted Services	466 720	-	466 720	0.00
Grants and Subsidies Paid	8 290 686	2 009 746	6 280 686	450.37
General Expenses	8 512 361	9 307 598	(795 237)	111.50
Loss on Disposal of Property Plant and Equipment	64 791	-	64 791	0.00

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## 5.2 GRANTS

### Comments on operating grants

Operating grants received comprise of unconditional grant, the equitable Share and Conditional Grants, Municipal Systems improvement grant and the Financial Management Grant. These grants are National Government grants. The amount for the MSIG is R790 000, and for the FMG R1450 000. The Library Grant is an operational, conditional, Provincial grant and R450 000 has been allocated to the municipality in the 2011/12 financial year.

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## 5.3 ASSET MANAGEMENT

Assets are managed via a GRAP compliant asset Register, which interface with the financial system. However we had some technical problems which result in difficulty to produce data to the auditors, for the 2011/12 audit. Fortunately these problems could be solved with the help of the Enterprise, Resource Planning Technician and Financial consultant.

There are still some major changes that need to be done on the register to bring it in line with new accounting standards that will be applicable in the new 2012/13 financial year. These changes will also upgrade the current features of the asset register to enable users to generate reports as required by GRAP to be in the



## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.7 Comments on supply Chain Procedures.

The Supply Chain Unit work very hard in the 2011/12 financial year to upgrade its data basis for suppliers. Officials went out of their way to ensure that the municipality deals with suppliers and service providers with Valid Tax clearance certificates and correct construction ratings. We strive to keep our tender and quotation system as true to the policy and guidelines as possible. The three Bid Committees have been establishing namely Specification, Evaluation and Adjudication Committees. Training has been provided for the members of the committees by Provincial Treasury.

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.

<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance</b>	Indicators should be specified to measure performance in relation to input,

<b>Indicator</b>	activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Mervin Cloete	FT	Finance and Administration	Ward 4 - African National Congress	100%	
Elsabe Stewens	PT	Finance and Administration, Municipal Public Accounts,	Ward 1 - African National Congress	100%	
Hilgard Links	PT	Infrastructure and Development, Oversight	Ward 3 - Democratic Alliance	100%	
Petro Willems	PT	Finance and Administration, Municipal Public Accounts	Ward 2 - Democratic Alliance	100%	
Susarah Nero	PT	Technical and Economic Development, Municipal Public Accounts	Proportional - African National Congress	100%	
Maria Cardinal	PT	Technical and Economic Development, Oversight, District Representative	Proportional - African National Congress	100%	
Martin Klaase	PT	Finance and Administration, Municipal Public Accounts	Proportional - Congress of the People	100%	
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Local Labour Forum	Communication between council and staff
Training Committee	To monitor training within the municipality and ensure that skills of staff is developed properly
MPAC	
Finance and Administration Committee	
Technical and development committee	

# APPENDICES

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Soebatsfontein 1	Elsabe Stevens				
	Suleika Monagee				
	Piet Claassen				
	Sameul Monagee				
Spoegrivier	Jacobus lewis				
	Elizabeth Owies				
	Paul Klaase				
Hondekliipbaai	Rosina Klaase				
	Redwick Dunster				
	Magrieta Kordom				
Klipfontein	Abraham Kordom				
	john Boois				
	Dorothea Klaase				
Garies 2	Pedro Willems				
	Ronald van Wiese				
	Patricia Petersen				
	Ursula Conradie				
	Amanda De Viliers				
Kamieskroon 3	Amanda Phillips				
	Ann Oerson				
	Liesel Magerman				
Lepelsfontein	Abraham Jass				
	Samantha Owies				
	Jan Cloete				

# APPENDICES

Kheis	Lena Lewis				
	Jan Cloete				
	Lizette				
Kharkams	HG Links				
	Katrina Witbooi				
	Yolanda Gall				
	John Lukas				
	Johanna Stewe				
Tweerivier	Cornelius Kriel				
	Anneline Cloete				
	Christine Kleyn				
Paulshoek 4	MJ Cloete				
	Elizabeth Claassen				
	Katrina Kok				
Leliefontein	Colin Cloete				
	Lien Smith				
Nourivier	MS Cardinal				
	Cynthia cloete				
	Valencia Moni				
Rooifontein	Katrina Basson				
	Simon Beukes				
Kamasies	Susan Bezuidenhoudt				
	Gert Beukes				T



# APPENDICES

# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.